

TESTIMONY PRESENTED TO THE HUMAN SERVICES COMMITTEE

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Testimony Supporting House Bill 5052

AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS FOR HUMAN
SERVICES PROGRAMS

and House Bill No. 5051

AN ACT IMPROVING TRANSPARENCY OF NURSING HOME OPERATIONS

Good morning, Senator Slossberg, Representative Abercrombie and distinguished members of the Human Services Committee. Thank you for the opportunity to offer testimony in support of two Governor's bills: House Bill 5052, An Act Implementing the Governor's Budget Recommendations for Human Services Programs and House Bill 5051 An Act Improving Transparency of Nursing Home Operations.

I will begin with our support for **House Bill 5052** which implements Governor Malloy's budget recommendations for human services programs. In total, the initiatives in this bill will result in additional costs of approximately \$840,000 in FY 2015.

Section 2 of the bill places the Office of the Chief Medical Examiner within the Department of Administrative Services rather than the University of Connecticut Health Center for administrative purposes only. This will enhance the business functions of the Office of Chief Medical Examiner. The Governor's budget includes funding of \$134,400 for DAS' Small Agency Resource Team (SmART) unit for two positions dedicated to budgeting and accounts payable processing, as well as \$59,300 support a human resources position in the Office of the Chief Medical Examiner.

Section 3 of the bill prioritizes the provision of security deposit guarantees to eligible veterans under the Department of Housing's Security Deposit Guarantee program. According to the 2013 Point in Time Count, approximately 340 veterans were identified as homeless or living in temporary housing. This

proposal will ensure homeless veterans have the assistance they need to secure permanent housing. The Governor's budget provides \$50,000 in support of this initiative. The proposed increase in funding could assist an additional 100 veterans statewide.

Section 4 of the bill expands the Connecticut Home Care Program for Adults with Disabilities, which serves persons in the community who are not Medicaid eligible, but who meet nursing facility level of care and have a degenerative, neurological condition such as multiple sclerosis or Parkinson's disease. The program was established in 2007 as a state-funded pilot and remains capped at 50 persons. As a result, there are 103 persons on the waiting list, some going back as far as October 2010. While applicants for this program have limited income and assets, most have assets over the \$1,600 Medicaid limit. However, due to their serious health issues, they are at risk of institutionalization and often end up in a nursing home and on Medicaid within a month or two of their admission. Expanding the number of slots under this program will prevent nursing home placement for individuals who would quickly access Medicaid as a payment source for their nursing home stay. The Governor's budget includes \$600,000 to expand the program by an additional 50 slots.

The remaining sections of the bill, section 1 and sections 5 through 11, do not impact the current biennium but are intended to maintain current rates and benefit levels in the absence of additional funding provided to support increases for (1) in-state residential treatment centers licensed by the Department of Children and Families, (2) facilities whose rates are established by the Department of Social Services - nursing homes, intermediate care facilities for individuals with intellectual disabilities, and boarding homes, and (3) cost of living adjustments for clients on public assistance programs - Temporary Family Assistance, State Administered General Assistance and the Aid to the Aged, Blind and Disabled program. Since funds are not routinely appropriated for these purposes, legislation must be enacted every year to override the statutory or regulatory provisions that would require such increases. This bill removes these requirements and aligns the statutes with usual budgetary practice. To be clear, in no way does this bill remove the legislature's discretion to provide these increases in the future, it simply supports a mechanism to provide baseline projections in the outyears that are more in line with anticipated expenditures.

I am also offering support for **House Bill 5051 An Act Improving Transparency of Nursing Home Operations**. This Governor's bill requires every nursing home that receives state funding to include in its annual cost report to the Department of Social Services (DSS) a profit and loss statement from each related party¹ that receives \$10,000 or more a year from the nursing home for goods, fees and services and detailed information on direct care staff, including regular and overtime hours and wages and health and welfare benefits.

¹ "Related party" includes any company related to the nursing home through family association, common ownership, control or business association with any of the owners, operators or officials of the nursing home.

The bill promotes greater transparency in the cost reports filed annually by nursing homes with DSS. The state has a critical interest in transparency in order to afford access to information for consumers, protect the rights and interests of nursing home residents, their families, and their caretakers; and make wise use of the more than \$1.6 billion the state invests annually in nursing home care.

This bill would require additional attachments to the cost reports that nursing homes are already required to file annually with DSS. The bill does not require DSS to routinely review or assess the additional information – merely to have it on hand without delay and negotiation when it becomes necessary due to requests for facility closure or rate adjustments.

We have one request for an amendment to HB 5051. The intent of Section 2 of the bill is to exempt DSS from any cause of action or liability arising for failure to comply with provisions of the bill. In drafting the language, we included the entire Section 17b-340, while the bill amends only subsection (a) of Section 17b-340, so we would ask the committee to amend the bill to clarify that it applies only to C.G.S. Section 17b-340(a).

The Governor's bill, HB 5051, is similar to another bill being heard by the committee this morning: HB 5136 AAC Nursing Home Transparency. The major differences between the two bills are:

- The Governor's bill requires annual reporting of profit and loss statements for all nursing homes, not just for-profit homes as is required in HB 5136. We believe this is a more equitable approach.
- The Governor's bill requires only nursing homes to report on direct care staff, while HB 5136 also requires rest homes to report such information. The need to collect this information from rest homes is not immediately apparent, although we would be happy to work with the committee and proponents on whether these provisions should be broadened to additional entities.
- HB 5136 requires reporting on "benefit hours and wages", which the Governor's bill does not. Both bills already include: "regular hours and wages, overtime hours and wages, and employee health and welfare benefits" and we are unclear as to the meaning of "benefit hours and wages".
- The Governor's bill includes the second section which protects DSS from liability.

I would again like to thank the committee for the opportunity to present this testimony. I respectfully request that the Committee take favorable action on both of these Governor's bills and I would be happy to answer any questions you may have.